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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Strategic Holdings Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**CHINA STRATEGIC HOLDINGS LIMITED****中策集團有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 235)**

**GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Strategic Holdings Limited (the “Company”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 28 June 2016 at 10:00 a.m. or any adjournment thereof is set out on pages 13 to 17 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

13 May 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 28 June 2016 at 10:00 a.m.;
“AGM Notice”	the notice convening the AGM as set out on pages 13 to 17 of this circular;
“Articles”	the Articles of Association of the Company (as amended from time to time);
“Board”	the Board of Directors;
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the AGM Notice;
“Company”	China Strategic Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Directors”	the director(s) of the Company;
“Existing Scheme Mandate Limit”	369,918,392 Shares, being the maximum number of Shares that may be allotted and issued pursuant to the exercise of Options, which was approved by the Shareholders at the annual general meeting of the Company held on 10 June 2011;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general mandate to be granted to the Board at the AGM to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue, being the mandate referred to in resolution no. 4 in the AGM Notice;

DEFINITIONS

“Latest Practicable Date”	11 May 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Options”	rights to subscribe for Shares pursuant to the Share Option Scheme;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company;
“Share Option Scheme”	the share option scheme adopted on 10 June 2011;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

Executive Directors:

Dr. Or Ching Fai

(Chairman and Chief Executive Officer)

Mr. Sue Ka Lok

Ms. Lee Chun Yeung, Catherine

Mr. Chow Kam Wah

Registered Office:

Rooms 3206-3210, 32nd Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

Independent Non-executive Directors:

Ms. Ma Yin Fan

Mr. Chow Yu Chun, Alexander

Mr. Leung Hoi Ying

13 May 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND TO BUY BACK SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed general mandates to issue and buy back Shares and extend the general mandate to allot, issue and deal with Shares by adding to it the number of Shares bought back; (ii) the proposed re-election of Directors; and (iii) the proposed refreshment of the Scheme Mandate Limit in order to enable you to make an informed decision on whether to vote for or against the ordinary resolutions nos. 2, 4 to 7 to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, ordinary resolutions nos. 4 and 6 of the AGM Notice will be proposed which, if passed, will give the Directors a general mandate to allot, issue and deal with new Shares representing up to (i) 20% of the total number of Shares in issue at the date of passing the resolution plus (ii) the number of the Shares that can be bought back by the Company (under the authority granted pursuant to the Buy-back Resolution) subsequent to the passing of such resolution.

On the basis of a total of 16,987,713,835 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or bought back whatsoever between the Latest Practicable Date and the AGM, the Issue Mandate (if granted by the Shareholders at the AGM) will empower the Directors to allot, issue or otherwise deal with up to a maximum of 3,397,542,767 new Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

GENERAL MANDATE TO BUY BACK SHARES

The ordinary resolution no. 5 of the AGM Notice, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to buy back Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution at any time until the next annual general meeting of the Company following the passing of the said ordinary resolution or such earlier period as stated in the said ordinary resolution (the “Buy-back Mandate”).

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Buy-back Mandate is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with the Article 116 of the Articles, Mr. Chow Kam Wah, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying will retire from office of directors by rotation at the AGM and, being eligible, will offer themselves for re-election as Directors at the AGM.

Biographical details of the above retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

In accordance with the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the terms of the Share Option Scheme.

LETTER FROM THE BOARD

The Share Option Scheme was adopted pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 10 June 2011, based on 3,699,183,927 Shares in issue on 10 June 2011, the Company was authorised to grant Options to subscribe for up to a maximum number of 369,918,392 Shares, representing 10% of the number of Shares then in issue. The Existing Scheme Mandate Limit has not been refreshed since the date of adoption of the Share Option Scheme on 10 June 2011. Save for the Share Option Scheme adopted by the Company on 10 June 2011, as at the Latest Practicable Date, the Company does not have any other share option scheme. No Options were granted, lapsed, exercised or cancelled during the period from the date of adoption of the Share Option Scheme up to the Latest Practicable Date.

As at the Latest Practicable Date, the Company had an aggregate of 16,987,713,835 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Scheme Mandate Limit and assuming no additional Shares will be issued or bought back from the Latest Practicable Date up to the date of the AGM, the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed should be 1,698,771,383 Shares, representing 10% of the total number of Shares of 16,987,713,835 Shares in issue as at the Latest Practicable Date. The Company considers that the proposed refreshment of the Scheme Mandate Limit will provide greater flexibility to the Company for the purpose of providing incentives and rewards to the eligible participants for the continuous contribution to the development of the Group, which shall be in the interests of the Company and the Shareholders as a whole.

Pursuant to the Listing Rules and the Share Option Scheme, Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed.

Pursuant to the terms of the Share Option Scheme and in accordance with Chapter 17 of the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the Shares in issue from time to time. No Options shall be granted under the Share Option Scheme and any other share option scheme(s) of the Company if this will result in the 30% limit being exceeded.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

AGM

The AGM Notice which contains, inter alia, resolutions to approve the Issue Mandate, the Buy-back Mandate, the extension of the Issue Mandate, the re-election of retiring Directors and the refreshment of the Scheme Mandate Limit is set out on pages 13 to 17 of this circular. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on any resolution at the AGM.

A proxy form is herewith enclosed for use at the AGM. Whether or not you propose to attend the AGM, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the proxy form will not prevent Shareholders from attending and voting at the AGM if they so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll save for purely procedural or administrative matters. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 80 of the Articles.

RESPONSIBILITY OF THE DIRECTORS

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board believes that the granting of the Issue Mandate, the Buy-back Mandate and the extension of the Issue Mandate, the re-election of retiring Directors and the refreshment of the Scheme Mandate Limit as set out in the AGM Notice are all in the best interests of the Company and its Shareholders as a whole. The Board recommends that the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,
By Order of the Board
China Strategic Holdings Limited
Dr. Or Ching Fai
Chairman

This appendix serves as an explanatory statement, as required by Rule 10.06 and other relevant rules of the Listing Rules, to provide requisite information for Shareholders to consider the Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 16,987,713,835 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 1,698,771,383 Shares (representing not more than 10% of the total number of Shares in issue as at the date of passing the Buy-back Resolution).

2. REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate is in the best interests of the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

3. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share buy-back may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

In the event that the proposed share buy-backs were to be carried out in full at any time during the proposed buy-back period, it may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts for the year ended 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Company have been made up). However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and the current month up to the Latest Practicable Date were as follows:

Month	Share Price	
	Highest HK\$	Lowest HK\$
May 2015	0.4460*	0.1700*
June 2015	0.5160*	0.3440*
July 2015	0.4000*	0.1640*
August 2015	0.3150	0.1910
September 2015	0.2550	0.2090
October 2015	0.2750	0.2260
November 2015	0.2450	0.2050
December 2015	0.2350	0.2100
January 2016	0.2190	0.1550
February 2016	0.2550	0.1670
March 2016	0.3000	0.2350
April 2016	0.2600	0.2150
May 2016 (up to the Latest Practicable Date)	0.2360	0.1980

* The share prices disclosed above were adjusted to take into account the effect of the rights issue exercise of the Company (the "Rights Issue") which became unconditional on 20 August 2015. Details of the Rights Issue were contained in the prospectus of the Company dated 29 July 2015.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Buy-back Mandate if such is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Pioneer Success Development Limited ("Pioneer Success") beneficially owned 1,680,000,000 Shares, representing approximately 9.89% of the total number of issued Shares.

On the basis that the total number of issued Shares and the shareholdings of Pioneer Success in the Company remain unchanged immediately before the full exercise of the Buy-back Mandate, in the event that the Directors exercise in full the power to buy back Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the interests of Pioneer Success in the Company would be increased from approximately 9.89% to approximately 10.99%. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any other consequences which will arise under the Takeovers Code as a result of any buy-backs to be made under the Buy-back Mandate.

7. SHARE BUY-BACKS MADE BY THE COMPANY

The Company had not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the retiring Directors who are proposed to be re-elected at the AGM.

Mr. Chow Kam Wah (“Mr. Chow”), *Executive Director, member of the Executive Committee and Investment & Credit Committee*

Mr. Chow, aged 53, joined the Company as an Executive Director in July 2007. Mr. Chow is also a director of certain subsidiaries of the Company. He holds a master’s degree in accountancy from The Hong Kong Polytechnic University. Mr. Chow has over 15 years of managerial experience in finance and accounting. He is a certified practising accountant of the CPA Australia.

Mr. Chow has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the Latest Practicable Date, Mr. Chow does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chow does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is a service contract entered into between the Company and Mr. Chow. According to the service contract, Mr. Chow’s directorship in the Company shall be for a term of two years commencing from 1 April 2016 unless and until terminated by either party by giving to the other three months’ notice in writing and shall determine upon expiry subject to renewal by mutual agreement between the Company and Mr. Chow prior thereto and in compliance with the Listing Rules. The directorship of Mr. Chow is also subject to retirement by rotation and re-election pursuant to the Articles. Mr. Chow is entitled to receive a remuneration of HK\$1,105,000 per annum which has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. Mr. Chow may also be entitled to receive discretionary bonuses or other benefits as may be recommended by the Remuneration Committee and approved by the Board having regard to Mr. Chow’s and the Company’s performance. The director’s remuneration of Mr. Chow is subject to annual review by the Remuneration Committee and the Board. The director’s emoluments of Mr. Chow for the year ended 31 December 2015 amounted to approximately HK\$1,408,000.

Save as disclosed above, Mr. Chow has confirmed that there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Chow Yu Chun, Alexander (“Mr. Alexander Chow”), *Independent Non-executive Director and Chairman of the Remuneration Committee and member of the Audit Committee*

Mr. Alexander Chow, aged 69, joined the Company as an Independent Non-executive Director in March 2011. Mr. Alexander Chow is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 35 years of experience in commercial, financial and investment management in Hong Kong and Mainland China. Mr. Alexander Chow is an independent non-executive director of Playmates Toys Limited (Hong Kong stock code: 869), Symphony Holdings Limited (Hong Kong stock code: 1223) and Top Form International Limited (Hong Kong stock code: 333). He was a non-executive director of New World China Land Limited (Hong Kong stock code: 917) until 28 December 2012. All of the above companies are listed in Hong Kong. Mr. Alexander Chow is also an independent non-executive director of Aquis Entertainment Limited (formerly known as Discovery Resources Limited) (Australian stock code: ASX: AQS) (“Aquis Entertainment”), a company listed on the Australian Securities Exchange.

Save as disclosed above, Mr. Alexander Chow has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the Latest Practicable Date, Mr. Alexander Chow does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Alexander Chow is an independent non-executive director of Aquis Entertainment of which Dr. Or Ching Fai (Chairman, Chief Executive Officer and Executive Director of the Company) is the deputy chairman and a non-executive director.

Save as disclosed above, Mr. Alexander Chow does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is a letter of appointment entered into between the Company and Mr. Alexander Chow. According to the letter of appointment, Mr. Alexander Chow’s directorship in the Company shall be for a term of two years commencing from 1 April 2016 unless and until terminated by either party by giving to the other three months’ notice in writing and shall determine upon expiry subject to renewal by mutual agreement between the Company and Mr. Alexander Chow prior thereto and in compliance with the Listing Rules. The directorship of Mr. Alexander Chow is also subject to the retirement by rotation and re-election pursuant to the Articles. Mr. Alexander Chow is entitled to receive a director’s fee of HK\$150,000 per annum which has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. The director’s fee of Mr. Alexander Chow is subject to annual review by the Remuneration Committee and the Board. The director’s emoluments of Mr. Alexander Chow for the year ended 31 December 2015 amounted to HK\$150,000.

Save as disclosed above, Mr. Alexander Chow has confirmed that there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Leung Hoi Ying (“Mr. Leung”), *Independent Non-executive Director and member of the Audit Committee, Remuneration Committee and Nomination Committee*

Mr. Leung, aged 65, joined the Company as an Independent Non-executive Director in September 2007. Mr. Leung graduated from Guangdong Foreign Trade School in the People’s Republic of China. He has over 15 years of experience in the trading business and business development. Mr. Leung is an independent non-executive director of G-Resources Group Limited (Hong Kong stock code: 1051) (“G-Resources”) and CST Mining Group Limited (Hong Kong stock code: 985) (“CST Mining”). He was an independent non-executive director of China New Energy Power Group Limited (Hong Kong stock code: 1041). All of the above companies are listed in Hong Kong.

Save as disclosed above, Mr. Leung has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the Latest Practicable Date, Mr. Leung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Both Mr. Leung and Ms. Ma Yin Fan (“Ms. Ma”) (an Independent Non-Executive Director of the Company) are independent non-executive directors of G-Resources of which Dr. Or Ching Fai (Chairman, Chief Executive Officer and Executive Director of the Company) is the vice-chairman and an independent non-executive director. Both Mr. Leung and Ms. Ma are independent non-executive directors of CST Mining.

Same as disclosed above, Mr. Leung does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is a letter of appointment entered into between the Company and Mr. Leung. According to the letter of appointment, Mr. Leung’s directorship in the Company shall be for a term of two years commencing from 1 April 2016 unless and until terminated by either party by giving to the other three months’ notice in writing and shall determine upon expiry subject to renewal by mutual agreement between the Company and Mr. Leung prior thereto and in compliance with the Listing Rules. The directorship of Mr. Leung is also subject to the retirement by rotation and re-election pursuant to the Articles. Mr. Leung is entitled to receive a director’s fee of HK\$100,000 per annum which has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. The director’s fee of Mr. Leung is subject to annual review by the Remuneration Committee and the Board. The director’s emoluments of Mr. Leung for the year ended 31 December 2015 amounted to HK\$100,000.

Save as disclosed above, Mr. Leung has confirmed that there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

NOTICE IS HEREBY GIVEN that an annual general meeting of China Strategic Holdings Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 28 June 2016 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and the reports of the directors and of the auditor for the year ended 31 December 2015;
2. To re-elect the retiring directors of the Company and to authorise the Board of Directors to fix the remuneration of the directors of the Company;
3. To re-appoint auditor and to authorise the Board of Directors to fix its remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- 4.1 subject to paragraph 4.3 below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- 4.2 the approval in paragraph 4.1 above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- 4.3 the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph 4.1 above, otherwise than (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company, or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or rights to acquire shares of the Company, or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company (the “Articles”), from time to time shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- 4.4 for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- 4.4.1 the conclusion of the next annual general meeting of the Company;
 - 4.4.2 the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or
 - 4.4.3 the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- 5.1 subject to paragraph 5.2 below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- 5.2 the total number of shares of the Company which the directors of the Company is authorised to buy back pursuant to the approval in paragraph 5.1 above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly;
- 5.3 for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- 5.3.1 the conclusion of the next annual general meeting of the Company;
- 5.3.2 the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or
- 5.3.3 the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of resolutions no. 4 and No. 5 set out in this notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of shares of the Company bought back by the Company under the authority granted pursuant to the resolution no. 5 as set out in the notice convening this meeting, provided that such number of shares so bought back shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing the said resolution.”

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited, the listing of and permission to deal in, the shares of the Company (the “Shares”) to be issued pursuant to the exercise of any options granted under the share option scheme (“Share Option Scheme”) adopted by the Company by way of shareholders’ resolution on 10 June 2011 subject to the Refreshed Limit (as defined below),

- 7.1 the refreshment of the existing limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme and any other share option scheme(s) of the Company be and is hereby approved provided that the aggregate number of Shares which may be allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “Refreshed Limit”); and
- 7.2 that the directors of the Company be and are hereby authorised to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with Shares under the Refreshed Limit pursuant to the exercise of such options.”

By Order of the Board
China Strategic Holdings Limited
Dr. Or Ching Fai
Chairman

Hong Kong, 13 May 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint registered holders of any share(s) of the Company, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the votes of the other joint holders.
4. As at the date hereof, the Board of Directors of the Company comprises four Executive Directors, namely Dr. Or Ching Fai (Chairman and Chief Executive Officer), Mr. Sue Ka Lok, Ms. Lee Chun Yeung, Catherine and Mr. Chow Kam Wah; and three Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying.